

Foreign oil, elections don't mix; Canada should ban election funding by powerful corporate interests from abroad

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Body

After most Canadians vote for parties who promise climate action, they may wonder why Canada is by far the worst G7 carbon-polluting country. While the U.S. and Japan are roughly at their 1990 emission levels, Canada's are up 21 per cent. The EU is 25 per cent lower and Britain's is down a remarkable 40 per cent.

To learn why Canada always breaks its climate promises I investigated the influence of Big Foreign Oil because the production of oil and gas is Canada's greatest and fastest-growing source of carbon pollution.

The report "Posing as Canadian. How Big Foreign Oil Captures Canadian Energy and Climate Policy" was released Wednesday and explains why.

Governments levy carbon taxes to cut oil and gas consumption but let Big Oil grow their production and emissions almost scot free.

The Canadian Association of Petroleum Producers (CAPP) is Big Foreign Oil's apex lobby group and based in Calgary. In 2019, CAPP charged that foreign-funded, anti-pipeline activists made "a concerted effort to shut down our industry."

Two months later, Alberta Premier Jason Kenney set up a war room and public inquiry to investigate "the vast sums" of U.S. foundation money that allegedly flowed into Canadian environmental groups to landlock Alberta oil.

The public inquiry followed the money trail and found a pittance. Nevertheless, Alberta Energy Minister Sonya Savage called it a "real concern" when any group is "influencing political and regulatory change using foreign funding."

Agreed. Why then did her government not direct the inquiry to examine the far greater sums of foreign oil money that massively intervene in energy and climate debates? Size matters. All big oil and gas corporations operating in Canada are fully or a majority foreign-owned, gaily wave the Maple Leaf flag and list their headquarters in Calgary.

Foreign-ownership, means foreign funded.

After allegations of Russian meddling in the 2016 U.S. presidential election, Ottawa prohibited such interference in Canadian federal elections, yet left a mile-wide loophole that CAPP drove a gas-guzzling Hummer through.

Canada forbade "foreign entities" including "corporations outside Canada" from election spending, but allowed foreign-owned corporations with headquarters in Canada to do so. Years ago, renowned philosopher George Grant wrote that setting up shop in Canada is the way foreign corporations "incarnate themselves as a (domestic) ruling class."

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Where does CAPP get funds to employ 36 full-time lobbyists, subsidize front groups like Canada's Energy Citizens, that deceptively pose as citizen-based, and spend big on advertising? CAPP's revenue is unavailable, but about 97 per cent of it must come from its foreign-owned corporate members because its membership fees are based on their oil production; 97 per cent of the oil produced by CAPP's corporate board members comes from foreign-owned ones.

My investigation found that of the 48 corporations on CAPP's 2020 board, 37, or 77 per cent, were confirmed, or likely, fully or majority foreign-owned.

When Big Foreign Oil speaks, Ottawa listens. Boy does it listen. Federal government officials had 11,452 contacts with them between 2011 and 2018 and three meetings a week in the pandemic lockdown's first year.

CAPP is the main obstacle to Canada cutting carbon pollution from the production of oil and gas. It tells governments to let them grow production but continue their huge subsidies because they are the bedrock of Canada's economy. This is false. The industry directly employs fewer than one per cent of Canadian workers.

Momentum is growing in the U.S. to ban foreign-influenced corporations from election spending.

The report recommends that federal and provincial governments join U.S. moves to ban foreign-influenced corporations from election meddling. Foreign-influenced corporations are those with five per cent for a foreign government shareholder, 20 per cent for a nongovernment shareholder, and 50 per cent aggregate foreign ownership.

Largely because of Big Foreign Oil's influence, the federal and Alberta governments have failed to rapidly wind down petroleum production, especially for export, while generously supporting oil workers in the transition.

Rather than worry about a trickle of foreign funding of environmentalists that never made up more than a tiny percentage of their revenue, Canada should ban election funding by CAPP and other powerful foreign-influenced corporate interests.

Gordon Laxer is author of the report "Posing as Canadian. How Big Foreign Oil Captures Canadian energy and climate policy."

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